

**Capital Projects Advisory Review Board**  
**2009 Session Public Works Legislation- Effective July 26, 2009**  
September 10, 2009

**HB 1195**      **Payment of undisputed claims**

The bill requires public owners to issue a change order to a contract for the full amount of additional work not in dispute within 30 days of satisfactory completion of the work by the contractor. After 30 days, interest at the rate of one percent per month will accrue on the dollar amount not in dispute.

**HB 1196**      **Increasing small works roster project dollar limits**

The small works roster dollar limits are increased from \$200,000 to \$300,000, and the requirement to notify contractors on the roster of quotations being sought when the estimated cost is \$100,000 or more is changed to \$150,000 or more.

**HB 1197**      **Alternative public works bill**

- Requires the Board to develop guidelines for the review and approval of design-build demonstration projects that include operations and maintenance services;
- Allows for 10 design-build projects with a total project cost between \$2 and \$10 million dollars;
- Allows for two design-build projects that include procurement of operations and maintenance services for a period longer than three years;
- Clarifies that public bodies seeking certification for the design-build procedure must demonstrate successful management of at least one design-build project within the previous five years, and those seeking certification for the GCCM process must demonstrate successful management of at least one GCCM project within the previous five years;
- Allows honorarium payments to design build finalists submitting "responsive" proposals, rather than "best and final";
- Requires public bid openings for GCCM and that scores be open for public review; and
- Allows GA, UW, and WSU to issue job order contracts for regional universities and The Evergreen State College.

**HB 1199**      **Regarding Retainage of Funds on Public Works Projects**

The bill repeals outdated statutes regarding retainage of funds on public works projects and applicable to all public works contracts entered into on or after September 1, 1992, relating to the construction of any work of improvement.

**HB 1847**      **Public works bid limits**

- Higher Education: from \$55,000 to \$90,000 for multiple trades ; \$35,000 to \$45,000 for one trade;
- First class city: from \$70,000 to \$90,000 for multiple trades; from \$35,000 to \$45,000 for one trade (removed population requirement of 150,000 or more).
- Second class and code cities: from \$45,000 to \$60 65,000 for multiple trades; from \$30,000 to \$40,000 for one trade;
- Counties with population of 1,000,000 or more: from \$70,000 to \$90,000 for multiple trades; from \$25,000 to \$45,000 for one trade;
- All other counties (1847 with a population of 400,000 and under): from \$10,000 to \$40,000, regardless of trades involved.
- Hospital districts: from \$50,000 to \$70,000.
- Metropolitan park districts (MPDs), fire protection districts, and water sewer districts: to \$20,000, regardless of number of trades involved. MPDs can purchase materials, supplies, or equip estimated less than \$40,000 without competitive bidding, and purchases less than \$50,000 must use vendor list process. MPDs can use current state agency, county, city, or town purchasing rosters.
- Water and sewer districts: from \$10,000 to \$40,000.

**SHB 1555**      **Addressing the recommendations of the joint legislative task force on the underground economy in the construction industry.**

- Expands the list of state agencies that must be notified of final acceptance of a public works project.
- Requires public agencies to obtain an approval from additional state agencies prior to releasing retainage to the contractor. (L&I won't have systems available to provide this until after Oct. 1, 2009)
- Gives the Department of Labor and Industries and the Employment Security Department a lien on retainage on public works projects ahead of subcontractors and suppliers.
- Requires the Department of Labor and Industries to conduct education and outreach to employers on workers' compensation requirements and premium responsibilities.
- Extends the Joint Legislative Task Force on the Underground Economy to December 15, 2009 and expands the scope beyond construction.
- Makes other changes addressing the recommendations of the Joint Legislative Task Force on the Underground Economy in the Construction Industry.

**SSB 5613**      **Stop Work/Workers Compensation**

Authorizes L&I to issue a stop work order for any contractor without workers compensation (industrial insurance) coverage, subjects a contractor to a \$1,000 a day penalty for violating the stop work order, and outlines options for how a contractor may respond to a stop work order.

**ESSB 5873**      **Regarding apprenticeship utilization**

- Adds a mandatory bidder responsibility criterion related to compliance with apprenticeship requirements
- Authorizes the state (L&I) to debar contractors who fail to comply with apprenticeship standards: Disqualifies a contractor from being awarded a public works contract if he or she has been found out of compliance for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes, for the one-year period immediately preceding the date of the bid solicitation.
- Requires use of apprentices on certain higher education public works projects (4-year higher ed).

**SB 5903**      **Public Works Contracts for Residential Construction**

Makes public agencies responsible for accurately identifying whether a project is subject to residential prevailing wages and requires agencies to pay the difference in wages if an incorrect determination is made in the bidding process.

**SSB 5904**      **Establishes standards for what constitutes an independent contractor with respect to prevailing wages.**